(a) whether Government have since received any report of the Committee headed by Shri P. Sabanayagan to examine various aspects of the functioning of Nidhi Companies;

(b) if so, what are the salient feature of the recommendations made; and

(c) what action Government have taken thereto?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) Yes Sir. The Sabanayagam Committee submitted its Report on 29.9.2000.

(b) the main recommendations of the Committee are :

(i) a Nidhi should have a minimum of 500 members;

(ii) it should have minimum Net Owned Fund of Rs. 10 lakhs

(iii) should not accept deposits exceeding twenty times its Net Owned Funds;

(iv) every Nidhi should allot minimum shares equivalent to Rs. 100/- to each of its members;

(v) every Nidhi should adhere to the ceiling regarding deployment of funds;

(vi) every Nidhi should adhere to the prudential norms for asset classification and income recognition;

(vii) every Nidhi should adhere to certain conditions for opening of branches, foreclosure of deposits, rate of interest for deposits accepted and loans granted;

(viii) greater supervisory role of Regulating Authority.

(c) Based on the recommendations of the Sabanayagam Committee, certain norms were notified for Nidhis vide Notifications Nos GSR 555(E) and 556(E) dated 26.7.2001. These were subsequently modified by Notifications No. 308(E) and 309(E) dated 30.4.2002.

Insurance schemes of Vijaya Bank

3283. SHRI B.J. PANDA:

MISS MABEL REBELLO:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) what is the proposed project of Vijaya Bank for grant of life cover to the clients as reported in the media;

(b) the rates of premium under this scheme for various categories; and

(c) whether senior citizens account holders would also be covered under the scheme, if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) The Vijaya Bank has entered into an agreement with the Life Insurance Corporation of India for providing Group Insurance coverage to all its Account holders aged between 18 years to 54 years. The coverage offered under this scheme is a Term assurance providing benefit only on death. If the death occurs due to natural causes, the claim benefit is Rs. one lakh and if death occurs due to accident, the claim benefit is Rs. two lakh. The annual premium for the age group 18 to 44 years is Rs. 325/- and for the age group 45 to 54 years is Rs. 575/-.

(c) The schemes are available only to account holders upto 54 years of age.

Winding of special deposit scheme

3284. SHRI GAYA SINGH:
SHRI V.V. RAGHAVAN:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that Government have decided to wind up the special deposit scheme launched in 1975; and

(b) if so, who are the major investors in this scheme and the redemption obligation of Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) No, Sir.

(b) Does not arise.

Recovery of income tax

†3285. SHRI MOTILAL VORA:
SHRIMATI PREMA CARIAPPA:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the names of the States where the income tax recovery has decreased during 2001-2002;

†Original notice of the question was received in Hindi.